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MEMO FOR RECORD:

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SUBJECT: Justification of Funds for

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1. On 1 April 1952 requested that I come to DD/P staff meeting to clarify, if I could, the presentation to the Bureau of the Budget for justification of the

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2. Mr. Wisner was late for the meeting, but appeared just as the question was asked and for the most part answered it. He advised the group that he had just attended a meeting called by Mr. Dulles with Bureau of the Budget representatives, that the Bureau had returned our letter to us, and that while we had made this presentation in justification of our Far East program it was clearly understood that we might at a later date desire to divert a part of these funds for use in other areas. The Bureau of the Budget was perfectly agreeable to this, but it was understood that they would be advised when such funds were to be diverted. make sure that he had the authority to issue instructions for the diversion of these funds if and when he saw fit, and Mr. Wisner emphasized that before any substantial quantity of them could be diverted, it would be necessary for us to check in with the Bureau of the Budget and obtain their approval. He made it clear, however, that no difficulty whatever was anticipated.

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3. I stated that, insofar as the DD/A was concerned, we would ship the supplies wherever directed by competent authority, and emphasized that our insistence on submitting our requirements to the Department of Defense as a Far East requirement was primarily in order to meet the 1 April deadline but also because we considered it premature to start diverting these funds to other areas during the process of defending them to the Bureau of the Budget specifically for the Far East.

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and the others present indicated h. | that they thoroughly understood.

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